Drug Industry's demand to review of Patents Ordinance

161. DR. AKHILESH DAS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the drug industry had demanded a review and revision of the Patents Ordinance issued recently;

(b) if so, what were the main issues raised and specific demands made by the drug industry; and

(c) Government's response and reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) An Ordinance, namely, the Patents (Amendment) Ordinance, 2004, effective from January 01, 2005, was promulgated on December 26,2004 to, *inter-alia,* comply with India's inernational obligations contained in the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) which were due from January 01,2005. The salient features of the amendment are: introduction of product patent regime in all fields of technology; modification of exclusive marketing rights provisions, modification of opposition procedure, introduction of provision for export of medicines to countries which have insufficient or no manufacturing capacity; strengthening of national security provisions; provisions aimed at simplification and rationalisation of procedures; etc. Suggestions have been received from different organisations, including pharmaceutical industry, on the provisions of the patent law. These relate to patentability criteria, opposition procedures, compulsory licence and export to other countries. All views and concerns have been taken into account and will be further considered during discussions of the Bill in Parliament to replace the Ordinance.

Legislation for SEZs

162. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: .

(a) whether it is a fact that Government proposes to introduce a legislation on Special Economic Zones (SEZs) in the current Parliament Session;

(b) if so, the details thereof and SEZs to be created in the State of Maharashtra;

(c) whether it is also a fact that Group of ministers has been formed to look at the proposed legislation; and

(d) if so, the recommendations of the GoM and whether all the recommendations have been accepted?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The Government intends to enact a legislation for the Special Economic Zones (SEZs) covering all aspects of their establishment, operation and fiscal regime shortly.

(b) There is no proposal for the Central Government to set up any new SEZs. However, SEZs may be set up in the public, private, joint sector or by the State Government. Accordingly, on the basis of proposals received from private sector/State Government, 2 SEZs have been approved for establishment at Navi Mumbai and Kopata (Maha Mumbai) in Maharashtra.

(c) and (d) On the basis of recommendations of the Group of Ministers, a proposal for introduction of a Special Economic Zones Bill in the Parliament has been placed before the Cabinet.

Impact of Patent Legislation on Drug Prices

163. SHRI KARNENDU BHATTACHARJEE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that new patent regime will have impact on drug prices; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The existing patent law in the country, which provides for a strong and comprehensive set of safeguards, is fully equipped to deal with issues relating to nonavailability of drugs and/or exploitative pricing. It needs to be mentioned that the protective/public interest provisions of the patents law were comprehensively reviewed by the Joint Committee of Parliament, which examined the provisions fo the Patents (Second Amendment) Bill, 1999. The Committee primarily focused on the efficacy of safeguards of public interest and public health concerns. Taking note of the Doha Ministerial Conference of WTO in 2001, the Committee restructured the provisions relating to public interest, compulsory licensing, Government use, na-